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C O N F I D E N T I A L STATE 069090

E.O. 12958: DECL: 06/24/2028

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SUBJECT: Deputy Secretary Negroponte's June 23, 2008
Meeting with Philippine President Gloria Macapagal-Arroyo

[1](#)1. Classified by EAP Assistant Secretary Glyn T. Davies,
Acting. Reason: 1.4 (b) and (d)

[1](#)2. (SBU) June 23, 2008; 10:00 a.m.; Washington, D.C..

[1](#)3. (SBU) Participants:

U.S.

The Deputy Secretary
U.S. Ambassador to the Philippines Kristie A. Kenney
Deputy Assistant Secretary of State Scot A. Marciel
Special Assistant to the Deputy Secretary Kaye A. Lee
Philippines Desk Officer Michael F. Kleine (EAP
Notetaker)

Philippines

President Gloria Macapagal-Arroyo
Foreign Secretary Alberto Romulo
Defense Secretary Gilberto Teodoro
Trade Secretary Peter Favila
Finance Secretary Gary Teves
Amb. Willy Gaa

[1](#)4. (C) SUMMARY. The Deputy Secretary began his 30-
minute meeting with Philippine President Gloria
Macapagal-Arroyo by expressing support and sympathy for
the victims of Typhoon Fengshen. President Arroyo
expressed her gratitude. Continuing, the President said
the purpose of her visit was to thank President Bush for
U.S. economic, military and alliance support. The
Deputy Secretary and President Arroyo affirmed the
excellent state of bilateral relations between the two
countries, and discussed the importance of continued
cooperation in the areas of food and energy security,
Burma, and counterterrorism. President Arroyo also
pointed out the importance of a Millennium Challenge
Corporation (MCC) Compact to Philippine economic growth
as well as the importance of the Veterans Equity Bill to
World War II veterans. END SUMMARY.

TYPHOON RESPONSE

[1](#)5. (C) The Deputy Secretary expressed support and
sympathy for the victims of Typhoon Fengshen. The
United States intended to provide humanitarian
assistance, and a U.S. Navy ship would soon arrive to
assist in rescue and recovery efforts following the
sinking of the ferry, Princess of Stars. PACOM was
eager to assist, he added. President Arroyo said that
the Filipino people were grateful for U.S. support.

EXCELLENT BILATERAL RELATIONS

[1](#)6. (C) Characterizing U.S.-Philippines relations as
excellent, President Arroyo said the United States
remained the Philippines' most important ally.
Filipinos love America, Americans, and American culture.
With four million Filipinos in the United States and
250,000 Americans in the Philippines, the two countries
are more than allies; they are family. Arroyo said the

purpose of her visit was to thank President Bush for the USG's economic, military, and alliance support.

FOOD AND ENERGY SECURITY

¶17. (C) The Deputy Secretary sought Arroyo's views on food and energy security. Arroyo said that the Philippines had taken steps to secure an adequate food supply, ensure proper distribution, and crack down on hoarders. Regionally, the Philippines was working to avert a long-term crisis. The President highlighted her government's work with the International Rice Research Institute and said the Philippines wanted to reach food self-sufficiency within five years. She sought continued cooperation with the United States, "which is still the world's bread basket." The Deputy Secretary pointed out that scientific research and the use of biotechnology would be instrumental in finding solutions. Good weather helps, he added, referring to the drought in Australia which severely cut into last year's rice production. The Deputy Secretary also said that the United States was putting the maximum amount of land into agricultural production and was also moving forward with widespread humanitarian assistance.

¶18. (C) On energy, Arroyo said the Philippines had reduced its dependency on oil and developed thermal and renewable energy resources. The Philippines has developed a domestic oil production capacity and was able to produce ten percent of its oil needs, while at the same time reducing its demand for oil.

BURMA

¶19. (C) Arroyo stressed that the Philippines was alone in ASEAN in continuing to take a strong position on Burma. However, ASEAN had been useful in coordinating assistance to Burma following Cyclone Nargis. Foreign Secretary Romulo added that it has been helpful for the United States to have an Ambassador for ASEAN Affairs.

COUNTERTERRORISM

¶10. (C) The Philippines and the United States were cooperating well on counterterrorism, the Deputy Secretary and President Arroyo agreed. Arroyo said that U.S. and Philippine forces were successfully combining soft and hard power, and sharing intelligence to preempt terrorist activity and reduce terrorist lairs. Continued military assistance was very important, she stressed.

MCC, ARELMA CASE, VETERANS BILL

¶11. (C) Arroyo thanked the Deputy Secretary for State's role as Chair of the MCC board, and expressed hope that the Philippines would be selected for an MCC Compact. She also expressed gratitude for the USG position on the Arelma case, regarding the disposition of assets stolen during the Marcos years, and noted that the Veterans' Equity Bill was a very emotional issue, especially for Philippine-Americans.

RICE